

# Draft Council Plan 2017-21 and draft Budget 2017/18

## Your Questions Answered

Updated 23 May 2017

**What is Council doing to address its Asset Renewal? It claims to meet 100% but achieves less than that? Why?**

- Council is targeting what is termed renewal demand. Renewal demand is the amount of funding required to keep existing assets up to their required standard of service delivery. This target is based on what Council and the community consider an acceptable level of service delivery.
- This is not to be confused with the financial sustainability risk indicator (FSRI) for renewal. The FSRI for renewal is a financial calculation based on the level of spending on existing asset replacement (which includes renewing assets and upgrading assets), divided by an accounting term called depreciation.
- Depreciation being a financial measure of how we (being the council, community and users) are consuming or wearing out an existing asset. Perhaps a simpler way to look at the issue is that the FSRI for renewal is a backward looking measure (measures the past), whilst the Renewal demand indicator is a forward looking measure (measures what we are likely to need in the future).

### What are Council's average rates compared to neighbouring Councils like Baw Baw and South Gippsland Shire Council?

- The latest comparative information is for the year 2015/16:

Council	Average rates & charges
Bass Coast Shire Council	\$1,684
Baw Baw Shire Council	\$1,987
South Gippsland Shire Council	\$1,990

### What is Council's Waste charge?

- For 2017/18 the waste charge will be \$374

### What are Council's employee costs as a percentage of operations? How does that compare to Baw Baw and South Gippsland Shire Council?

- The latest comparative information is for the year 2015/16:

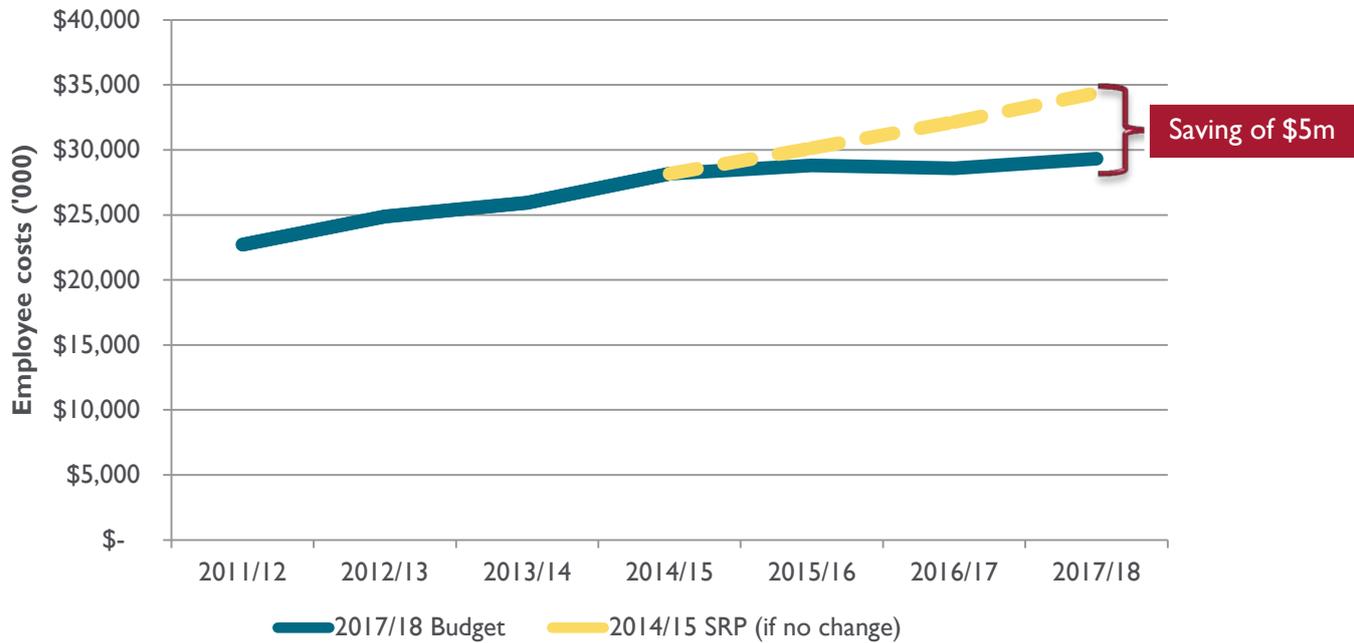
Council	Employee costs as % of operations
Baw Baw Shire Council	35%
Bass Coast Shire Council	38%
South Gippsland Shire Council	39%

Note that Baw Baw Shire Council does not have road maintenance staff. This function is entirely outsourced to contractors.

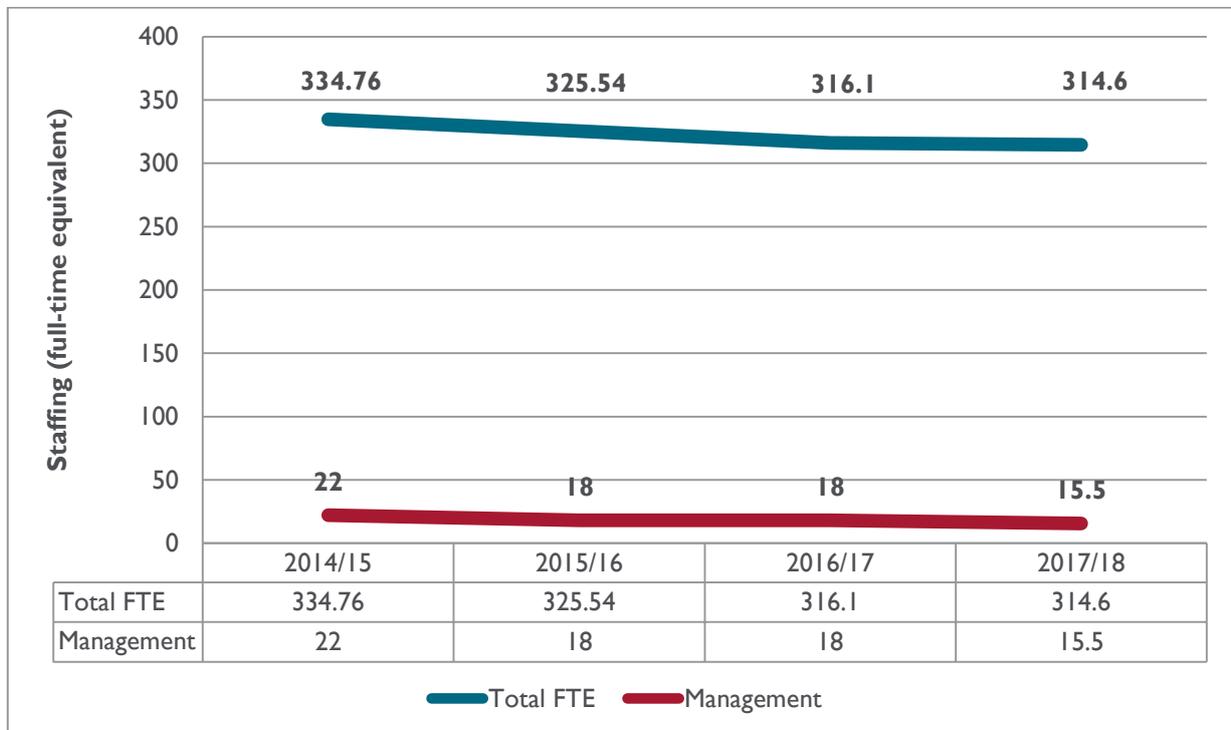
### What staff numbers has Council reduced?

- Since 2014/15, Council has reduced 20.16 FTE, including 6.5 FTE in Management positions  
The following graphs show the changes in employee costs and numbers over the time:

### Budgeted Employee Costs over time



### Staffing numbers over time



**What is the progress on the Phillip Island Transfer Station EOI? When will we know a location has been announced?**

- The Expression of Interest to site, design, construct and operate a Transfer Station on Phillip Island was advertised and the evaluation panel has completed assessment of the responses received. The outcome of this assessment will be presented to Council in July 2017.

**Is the waste contract fee a fixed price or subject to CPI?**

- The contracts include CPI%

**What is the cost for an additional bin?**

- Your three bin service is included in the \$374 garbage charge. If you require an additional bin the costs are as follows: waste bin – \$132.50, recycling bin – \$76.15 or organics bin - \$78.00

**Why does Council not deliver a hard waste service?**

- Council has a booked at call hard waste service which is partly subsidised through rates. Each property with a Council-provided kerbside garbage service is entitled to one Hard Waste Collection of up to two cubic metres of items each financial year. Further details can be found on the waste management web page.

**What is Council's E-waste service?**

- E-waste is accepted at Council's transfer stations for recycling and dispose. This includes TVs, videos/DVD's, computers and computer parts, screens, laptops, scanners, game consoles (e.g. Xbox, play stations), printers, radios, stereos, etc. E-waste products are accepted at \$5.00 per item.

**What are Council's interest rates on borrowings for a locked in 10 year term (PINP office development)?**

- The interest rates that Council is likely to achieve through its participation in the Local Government Bond is approximately 4.1% over ten (10) years.

**What is the rate increase over the three (3) years 2018/19 onwards?**

- The rate increase for the years 2018/19 to 2020/21 is in accordance with the Victorian Department of Finance and Treasury CPI forecasts for those years, which at the time the budget was prepared was 2.5% for each year.

**What is the waste charge increase over the three (3) years 2018/19 onwards?**

- The waste charge increases by approximately 3.5% for the years 2018/19 to 2020/21. As the waste charge is considered more of a fee for service type charge, it is not included within the rate cap. The increase exceeds the CPI due to the costs associated with constructing new land fill cells, rehabilitating landfill sites when they have reached the end of their life and the ongoing monitoring costs of each landfill.

**From Council Meeting Question Time 17 May:**

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1. The increase in the garbage charge of \$ 47.00 or 14.37% as this charge falls outside the general rates what is stopping the council from increasing this charge annually?
2. Is there a valid reason why the garbage charge increase should more than the 2% rate cap. The revamping the garbage bin system from a 2 bin system to a 3 bin system is not a valid reason for an increase?

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1. The estimate amount to be raised from the garbage charge is \$9,381,790 as the garbage contract is for 10 years or a \$90,381, life time contract I have the following question.

2. The waste management contract is as follows:

Tender No 16005 for waste collection p/a	\$5,039,248.19
Tender No 16006 Wonthaggi transfer station p/a	\$526,125.60
Tender No 16006 Inverloch transfer station p/a	\$243,104.40
*Tender No 16006 operating Grantville landfill p/a	\$1,679,223.15
<b>Total estimated waste management cost p/a</b>	<b>\$7,487,701.34 3.</b>

The surplus to council to administer the waste management contract is

**Income p/a \$9,381,790.00**

**Contract cost \$7,487,701.34**

**Council admin cost ??? or 25.3% Surplus \$1,894,088.66**

**I believe the council cost to administer the waste contracts to be excessive and will the council please supply a cost breakdown for the 25.3 % (1.9 mil) surplus.**

**Also I would like to point out the following in regards the waste contract the contracts are estimates only and not fixed price what are the contract variation that may apply such as CPI increases and wage increases.**

**\*There are two I6006 tenders?**

**Page 3 and 56 - draft budget**

**Why is the Bass coast council responsible for office development for the PINP? At a cost of \$1,688,000 borrowed? I refer councillors to the article in the Philip Island Advertiser editorial dated 10th May (article on pg. 5)**

**I believe the council should not finance a Statuary Authority in obtaining office facility's as they have a \$48 mill expansion programme in place.**

**How can council go ahead and authorise the CEO to finalise all necessary documentation to enter into a lease with PINP (item H6 in tonight's council meeting) as funding required is not yet approved and is still in the draft budget stage?**

- Response: Waste Management
  1. Council of the day sets the charge based on the cost of providing the service. The actual annual cost is \$51.00, which is approx. 90c per week.
  2. The reason for the increase is the introduction of the new three bin system. A recent ABC program 'War on Waste' stated that 'our waste is growing double the rate of the population' - 52 mega tonnes Australia wide.
  3. The garbage charge also includes administration, landfill, illegal dumping, audits, EPA fees and levies and rehabilitation costs.
  4. There are three (3) parts to tender I6006, two contracts were awarded, demonstrating best value for money for the community.

The 2017/18 draft Council budget includes a total waste spend of \$9.286M.

Council provides a kerbside rubbish collection to residents and businesses within its urban areas and some rural areas. This includes 120L fortnightly garbage collection, 240L

fortnightly recyclables (increased to weekly across summer holiday season), and 240L organics weekly collection, booked hard rubbish and street litter bins. Council also operates (under contract) four transfer stations and the Grantville landfill.

Council holds the liability for four closed landfills under the Environmental Protection Act 1978. Council pays an annual EPA landfill levy of approximately \$0.85 M. Council receives \$2.686M in revenue from operating the landfill, recycle bank and other funding streams. The net cost to Council is \$6.6M. Revenue from garbage charges is proposed to be \$9.384M. This includes provision for future landfill rehabilitation costs not contained within the 2017/18 operational budget.

The cost to residents for the Food Organic, Garden Organic (FOGO) service will be \$51 per resident across the 12 month period.

The cost to residents for the Food Organic, Garden Organic (FOGO) service in 17/18 will be \$47 per resident prorated across the 10 month period. This cost is expected to increase annually by CPI.

- Phillip Island Nature Park (PINP) Office Development PINP will fully fund their component (being \$1.21m) over a 10 year period.

The balance \$470k is for improvements to the community and Council components of the building.

If the proposed budget item is not approved, the project cannot proceed. In order to ensure there is no predetermination on the draft Budget, an additional point will be recommended to the Council that if no allocation of funds is made in the 2017/18 Council Budget to the first stage of the development of the Cowes Cultural and Community Centre, the Chief Executive Officer will suspend negotiations on the lease and take no further steps in relation to the lease until a report is provided to Council for further direction.

**A recent article in the Sentinel-Times reports the CEO as saying that there had been a reduction of 6.5 management positions saving the Shire \$900,000. However, the Shire's Annual Report for 2015-16 shows that the number of senior officers has increased by 3, up from 11 to 14, whilst their total average salaries have increased by 25%, up from \$125,000 to \$152,000, and it also that the CEO's remuneration was increased by as much as \$30,000 when compared to the previous year.**

**Will Council advise the community if the CEO's reported comment in the Sentinel-Times is accurate, and if it is, will Council advise why the CEO's comments appear to be at odds with figures reported in the Shire's Annual Report?**

**Also, will Council advise the community as to why the draft budget states that employee cost increases have been contained to 2.15% from 2016/17 budget, when at the same time it shows that employee benefits have increased by 3.7%, up from \$28,255,000 to \$29,313,000 this year?**

**References: South Gippsland Sentinel-Times 2 May 2017, page 3, Bass Coast Shire Council Annual Report 2015/16, page 115 BCSC Annual Budget BCSC Draft Annual Budget 2017/18, pages 3 and 39**

- The table in the Annual Report details total remuneration paid to senior officers (as defined in the Local Government Act) in the financial year, inclusive of any entitlements received when staff exits the organisation.

The table includes all people that occupied a senior officer position at any time through the financial year – including those that left and their replacements. It is not a list of senior officers as at 30 June 2016. It is also not a list of management positions.

The budget reflects actual staff positions. In an attempt to clarify actual staff and management numbers, a new additional graph has been included in the budget document at page 45.

An updated Senior Officer table reflecting budget has been included on our website.

The best practice guide for reporting local government budgets in Victoria, 15th Edition, "Victorian City Council Model Budget – 2017/2018" published by Chartered Accountants Australia and New Zealand in February 2017, requires Councils to compare Forecast Actual Results for 2016/17 to Proposed Budget 2017/18 rather than comparing Budget 2016/17 to Proposed Budget 2017/18.

The draft budget therefore compares the forecast result for 2016/17- not 2016/17 budget - with proposed budget for 2017/18.

Budgeted employee costs for 2016/17 were \$28,581,000 (refer Page 42 of 2016/17 Budget).

It is forecast that we will spend less than budget in 2016/17. The 2.15% quoted by the CEO refers to comparing employee costs in the 2016/17 budgeted Funding Statement with employee costs in the 2017/18 budgeted Funding Statement (refer Page 48 of 2017/18 budget).

The 3.7% relates to a comparison between the 2016/17 forecast position and 2017/18 budget from the Comprehensive Income Statement at Page 39 of the 2017/18 proposed budget.

**1. Considering that an assurance was given at a Budget forum in Cowes on 15 May that ALL matters in the draft budget would be considered under section 223 of the Local Government Act, will council now ensure that s.191 of the Act, mentioned on page 53 of the Agenda, is not used to preclude consideration of any item in the draft budget, and that the "requirements of the Local Government Act" mentioned on page 54, and the mention of "in accordance with the Local Government Act" on page 55 are not interpreted in such a way to preclude consideration of any item in the draft budget?**

**2. Considering that the 2017/18 proposed budget is mentioned in agenda item H.6, and considering the Victorian Auditor-General's report 'Public Participation and Community Engagement: Local Government Sector', and the comments on budgets and section 223 of the Local Government Act in that report, will council cease consideration of the lease mentioned in item H.6 until all the legislative obligations under s.223 are fulfilled ?, and are councillors aware of the AuditorGeneral's report as at the time of the submitting of this question?**

- Response:

1. Council must consider all submissions received in relation to the budget in accordance with Section 223 of the Local Government Act 1989. Section 191 of the Act does not exempt the Council from complying with the requirements of Section 223 in relation to the budget. If the proposed budget item is not approved, the project cannot proceed. In order to ensure there is no predetermination on the draft Budget, an additional point will be recommended to the Council that if no allocation of funds is made in the 2017/18 Council Budget to the first stage of the development of the Cowes Cultural and Community Centre, the Chief Executive Officer will suspend negotiations on the lease and take no further steps in relation to the lease until a report is provided to Council for further direction.

2. Council will consider recommendations in relation to a proposed lease with Phillip Island Nature Parks at Item H.6 of this agenda.

A copy of the Victorian Auditor-Generals report "Public Participation and Community Engagement: Local Government Sector" tabled 10 May 2017 has been distributed to all Councillors.

**Why is council not adhering to due budget process in regard to of item H.6 Proposed Amendment of Cowes Cultural and Community Centre Masterplan and lease of offices**

**to PINP? Council is denying the community the opportunity to participate in public consultation on this item by bringing forward the vote on it to the 17/5/2017 before budget approval.**

**The reason given in the agenda is that PINP has asked for confirmation of a leasing arrangement before the 30th May. External bodies should not be allowed to exert undue influence upon council process and deny the community its voice. I ask that you reconsider, defer the vote and inform PINP that a decision will be made in due course, i.e. after full budget engagement has been completed.**

- **Response:**

Council must consider all submissions received in relation to the budget in accordance with Section 223 of the Local Government Act 1989. Section 191 of the Act does not exempt the Council from complying with the requirements of Section 223 in relation to the budget.

If the proposed budget item is not approved, the project cannot proceed. In order to ensure there is no predetermination on the draft Budget, an additional point will be recommended to the Council that if no allocation of funds is made in the 2017/18 Council Budget to the first stage of the development of the Cowes Cultural and Community Centre, the Chief Executive Officer will suspend negotiations on the lease and take no further steps in relation to the lease until a report is provided to Council for further direction.

### **General questions received since 28 April:**

**Why are ratepayers building offices for the Nature Park? Surely with the \$60M total funding received they can afford to build their own offices?**

- Council resolved at its August 2016 Council meeting to enter into negotiations with PINP surrounding a long term tenancy arrangement for office space in Cowes. Once office space is available PINP will be a paying tenant.
- The benefits to the community include the economic benefits for small businesses and the commercial sector with the inclusion of up to an additional 30 permanent employees in the Cowes CBD, as well as the additional revenue from the tenancy assisting to offset the operating costs.

**Why is the ratepayer being asked to fund \$1.7 million to become a landlord of PINP? This should be the role of the private sector or PINP should provide their own offices. The considerations of staff, etc. apply to both of these as well. I fail to see why**

**Bass Coast Shire Council is investing in commercial property. In the interests of competitive neutrality could you advise me of the rate of return on ratepayer's funds?**

- Council proposes to leverage investment in the Cowes CBD by constructing commercial office space, not currently available in the Cowes CBD. The full cost of construction for the PINP component (\$1.21M plus financing costs), will be fully paid for by the tenant within 10 years with all rent post that period being at market rates, providing a real return to council and the community. In addition to the direct benefits of Council obtaining a fully paid for asset, the Cowes CBD receives the additional economic injection of approximately 30 staff.

**How can council authorise the CEO to finalise a long term lease for PINP on May 17, when it has also invited submissions from the community on its budget proposal to enter into borrowings of \$1.6 million for provision of this commercial space for PINP, with submissions not closing until May 30?**

- At its 17 August 2016 Ordinary Meeting, Council resolved to 'authorise the CEO to finalise all necessary documentation to enter into a long term lease with PINP'; therefore, the proposed recommendation before Council at last night's Ordinary Meeting is consistent with the previous decision. Leases can be renegotiated if changes to the draft 2017/18 Annual Budget are made because of submissions received through the Section 223 process.
- Council's expression to enter into a lease with PINP does not commit Council to the final conditions of the lease at this stage. The conditions are still subject to finalisation and adoption of the 2017/18 Annual Budget on 21 June 2017. Council will consider all the submissions received and make any changes prior to the 2017/18 Annual Budget being adopted.
- In order to ensure there is no predetermination on the draft Budget, Council has recommended *'that if no allocation of funds is made in the 2017/18 Council Budget to the first stage of the development of the Cowes Cultural and Community Centre, the Chief Executive Officer will suspend negotiations on the lease and take no further steps in relation to the lease until a report is provided to Council for further direction.'*
- It is also worth noting, that the endorsed Cultural and Community Centre concept plan from December 2015 includes provision for commercial lettable office space. This was following significant community consultation. A number of additional Council Reports that proposed PINP take up office space for its administrative staff have been presented to Council since that time.
- Council has managed a thorough and genuine community engagement process on developing the draft Council Plan and draft Budget. The Section 223 process, which provides both the draft documents on exhibition continues through to 30 May. Any submissions received on the draft Council Plan and draft Budget will be considered at a Special Council Meeting on 7 June.

**The garbage charge increase of 14.7% makes a mockery on the 2% cap on rates. The estimated garbage charge to be raised this financial year \$9.381,790 over the 10 year garbage contract this will be \$90 million. If the rumour is correct that the new 10 Year garbage contract is worth \$ 70m? Does that mean there is a \$20m surplus?**

- Council’s garbage charges are not included in the 2.0% rate cap mandated by the State Government. The calculation of Council’s garbage charges each year includes whole of life waste costs for Council including illegal dumping clean up, capital costs to construct, rehabilitate and the aftercare management of Councils landfills to EPA Victoria standards, landfill environmental monitoring and auditing, litter bin audits, administration, etc.
- The Waste Services contracts for kerbside collection, transfer station and landfill operations (refer table) are also included within the garbage charge calculation. Each year Council’s independent auditors examine the garbage charge calculations to ensure accuracy and transparency.
- In July 2016 Council awarded the new waste services contracts detailed below through a competitive public tender process.

<b>Contract No.</b>	<b>Description</b>	<b>Contractor</b>	<b>Contract Sum Including GST</b>
16005	Waste Collection Services	Wonthaggi Recyclers Pty Ltd	Estimated \$5,039,248.19 per annum for a 10 year period
16039	Waste Facility Management and Operation Services in Wonthaggi and Inverloch	Wonthaggi Recyclers Pty Ltd	Estimated \$769,230.00 per annum for a 10 year period
16040	Waste Facility Management and Operation Services in Grantville	Ace Environmental Services Pty Ltd	Estimated \$1,679,223.15 per annum for a 10 year period

**Disappointed and bemused that the proposed pathway on the Cowes Rhyll Road will only go as far as Redwood Drive which is the Western boundary of the Manna Gum estate. Surely it should be extended to Manna Gum Drive which is the Eastern boundary of the estate and therefore give all the residents their opportunity to access and use it. I see many students walking to get their bus from this area so surely an extension would benefit all and prevent them having to walk on the road as they do now.**

- These comments will be added to the responses obtained for the Aspirational Pathways project which was still open for comment when this question was received. There is already a number of comments around a Cowes-Rhyll path:

<http://www.basscoast.vic.gov.au/connectingbc>

**Why and what cost to ratepayers is an upgrade to lighting at Newhaven reserve required as there is already lighting there? Who pays for the electricity?**

- The Newhaven Recreation Reserve Lighting Project is a partnership between Council, the Phillip Island Breakers Soccer Club and Sport and Recreation Victoria. Council's commitment of \$65,000 is a contribution toward the expected project cost of \$230,000.
- The current lighting is well below recommended standards for training purposes for soccer and the upgrade to the lighting will provide this for the club and other users of the reserve.
- The addition of this lighting meets Council's recreation planning requirements and the ongoing use of the lighting, including hours of operation will be managed between Council and any user group.
- All expenses related to electricity usage will be the responsibility of the user and not Council.

**There have been claims made by Cr Les Larke that Council will record a \$31 million 'Operating Deficit' for the five years to June 30, 2017. Is that so? Why is that important/not important?**

- Councillor Larke uses a different definition of operating result to that used by the Victorian Auditor-General and Local Government Victoria
- The audited annual financial statements for the four years ending 30 June 2016 show a cumulative operating surplus of \$14.530 million and the forecast result for the year ending 30 June 2017 is for an operating surplus of \$1.416 million. i.e. for the five year period, based on the definition of operating result used by the Auditor General and Local Government Victoria we are in line to record a cumulative operating surplus of a \$15.946m for the 5 year period.
- The adjusted underlying a result, although not an indicator of sustainability utilised by VAGO, is a trend indicator of financial sustainability. What it indicates is that, until recently, Council has been reliant on support from capital grants and cash contributions (e.g. special charge schemes and developer contributions) for the replacement and/or upgrade of existing assets i.e. Special Charge Schemes have traditionally made up a significant component of the Council's Capital Works Program.
- The 2017/18 budget reflects the significant structural changes that have been made to Council's budget over the past few years. Council is now in a position to deliver its services, along with maintaining and replacing its existing community assets, without the reliance on support from one off cash contributions (e.g. special charge schemes and developer contributions).

**Cr Larke says this has led to:**

**1. Asset underperformance for capital replacement including new projects/infrastructure, and renewal and upgrade expenditure (e.g. maintenance of roads, footpaths etc.)**

**2. Opportunities foregone to obtain federal and State grants, given operating deficits incurred.**

- Historically (based on the VAGO indicators) Council has not been in a position to fund new projects, nor fully address its renewal and upgrade needs.
- In addition, the fact that Council is a comparatively low rating and low spending council, has meant that there have been limited funds available to match government grants (when they become available). However, as reflected in the draft 2017/18 budget, Council is now in a position to contribute to new and improved community assets e.g. Cowes Revitalisation, Wonthaggi Highball, etc.
- Moving forward, the 2017/18 budget and four-year strategic resource plan demonstrates a significant improvement in those indicators.

**Cr Larke says the operating result for 2018-21 is for a modest \$2m surplus. Is this true? How has it been achieved?**

- Refer Table 11 Comprehensive Income Statement – Page 38 of Budget document
- The projected cumulative operating surplus for the four years ending 30 June 2021 is \$9.449 million
- The projected adjusted underlying result for the same period is a surplus of \$5.482 million
- This has been achieved through the steady program of service reviews, continually searching for efficiency gains (resulting in slower growth in costs), and supported by a modest increase in revenue (fees, charges, growth in the rate base).

**Can you also explain the figures in the Auditor General's report 'Audit Snapshot' 2015-16 (November 2016) relating to Bass Coast, or any other evidence which indicates whether the financial position of Bass Coast is stable, sustainable or otherwise?**

- The 'Audit Snapshot' is a reflection of a set of measures that VAGO believe provide a broad indication of the financial sustainability of all Victorian Councils.
- In summary, for Bass Coast the results from 2015-16 indicate that overall we are in a sound position, but we should be ensuring that we are confident that the community assets are fit for purpose and delivering the services they need to (in other words be sure we are spending the right amount in the right way on our assets).
- To achieve this, we have increased our expenditure on asset renewal over the past few years from a budgeted \$6.8 million in 2014/15 to a budgeted \$10.2 million in 2017/18

**Shouldn't Council be cutting back on administration costs to meet the 'renewal gap', the 'capital replacement' gap (in the 'red' or 'amber' for the past six years), liquidity and internal financing issues as identified by the AG?**

- We have significantly reduced our administration costs over the past few years. For example, our management staff numbers have reduced by 6.5 FTE or 29.5% from 2014/15 to 2017/18. In real terms this is a saving of close to \$900,000 per annum.
- These broad 'administration costs' are subject to the same targeted service reviews and continual improvements as any other service of council. In addition, we are currently in the middle of a major IT system upgrade which we are confident will deliver additional efficiencies in coming years.
- As part of us striving to check on our performance we have sought out benchmark information. We came across two (2) publicly available reports, one prepared by PwC and the other prepared by the National Commission of Audit. Both reports, but particularly the large sample in the National Commission of Audit, provided a benchmark for corporate type services.  
Using the same basis that each report was prepared on, Bass Coast was below the average cost.
- A major issue for Council is its low revenue base – our rates, compared to similar Councils including Baw Baw and South Gippsland are very low - our average rates per assessment are approximately \$300 below our neighbours (based on 2015/16). This is not a bad thing; it just means we don't have as much money to spend as other Councils do.
- Our allocation from the Grants Commission is also below average – Baw Baw and South Gippsland receive approximately \$3.2 million more from the Grants Commission per annum than we do (based on 2015/16) – part of the new Council's advocacy strategy will be to endeavour to increase this allocation.
- If we received the average general purpose grant that our neighbours do, rated at the average level of our neighbours and raised fees and charges at the average level of our neighbours, we would collect approximately \$13.6 million more per annum than we currently do.

**Is a \$1 million a-year rise in employee costs sustainable in the present financial environment?**

- The rise in employee costs is in line with increases in the enterprise agreement (which is below the average for the public service more broadly).
- The budget and four-year strategic resource plan accommodate these costs whilst also achieving operating surpluses

**Is there a contingency to pay back the \$16m in borrowings if interest rates rise?**

- Council does not have borrowings subject to variable interest rates, and so will not be exposed to any rate rises.
- Council participates in a sector-wide bond/financing arrangement which currently includes a five-year interest-only arrangement where the principal will be repaid in 2018/19 – the cash

to fund this repayment has been set-aside in a reserve specifically established for that purpose.

- Refer to Table 9 on Page 35 of the budget document which shows the repayment of \$6.635 million next financial year. This is incorporated in the four-year strategic resource plan.

**Has Council paid their defined benefits superannuation increase? Is there a contingency for paying more?**

- The last call made on the defined benefits superannuation scheme was in 2013/14 and Council made its payment at that time.
- There is no specific contingency in place for any future potential calls; however Council has the capacity to deal with any call of a similar nature to past calls.

**List all the good things to look forward to from the Budget should it go forward in its present form.**

- Average General Rate increase of 2%
- Capital Works Program of \$18.572 million
- Community Facilities Funding
  - Wonthaggi Shared Highball Facility – provision for Council contribution of \$1.5 million transferred to Reserve
  - Cape Paterson Surf Lifesaving Club – provision for Council contribution of \$600,000 (over two years)

The draft Budget continues to support our agricultural community with a rating differential of 80% plus the opportunity to apply for the Rural Land Management Program which returns approximately \$602,555 in environmental value to the rural community.

Council’s investment in capital works continues to be a priority with proposed funding of \$18.572 million, including \$10.2 million in asset renewal.

The key projects proposed to be funded include:

- New floodlighting for two soccer pitches at Newhaven Reserve
- Redevelopment of change rooms at Dalyston Recreation Reserve
- Development of the Cowes Transit Hub
- Contribution to Wonthaggi CBD Traffic Lights
- Extension of Surf Parade shared path to Veronica St, Inverloch
- Refurbishment of Wonthaggi Union Community Arts Centre
- Construction of a new landfill cell at Grantville Landfill
- Bass Coast Rail Trail Bourne Creek Pedestrian Bridge Renewal
- Resurfacing of Netball Courts at Dalyston Recreation Reserve
- Replacement of footpath on Anchorage Rd, Ventnor between Ventnor Road and Pall Mall
- Nyora St Helier Road Upgrade – Nation Building Blackspot Program
- Kerb Renewal – Jenner Avenue, Cowes

- Wonthaggi Recreation Reserve Gymnasium Building Renewal Works
- South Dudley Road Upgrade – Nation Building Blackspot Program
- Phillip Island Nature Parks commercial office development
- Pioneer Bay Drainage Improvements

**What are the financial/other challenges associated with 2% rate cap?**

- The challenges associated with a 2% rate cap and other impacts mean that communities have to make choices about the services and facilities that are provided and the level at which they are provided.